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## THE URGENT NEED OF INTEROCEANIC COMMUNICATION.

HAVING made a shibboleth of Berkeley's oft-quoted "westward the course of empire," we Americans continue to regard our continent as the *ultima Thule* of progress; and thus far we have given but superficial consideration to the corresponding current of Caucasian civilization setting in toward the East. Brought so unexpectedly into contact with this easterly course of progress by the acquisition of the Philippines, it is difficult for us to fit the new facts into the frame of our old traditions. Our point of view has not been adapted to the movement of population toward the West and, for lack of this adjustment, the prospect seems somewhat distorted. Looking out across the Atlantic, we are in the habit of regarding Asiatic affairs through European glasses, and still speak of the "Far East," when in reality we mean the "Far West." It is time we took a broader view of the situation; for, unless we alter our present attitude, we shall never be able to appreciate our proper position in the political world.

Between the East and the West the distinction is, indeed, primeval. Archæological remains, ethnological hypotheses and historical records, all point to some such original bifurcation of humanity. From the region below the "Roof of the World" successive races of man seem to have sent forth offshoots in both directions about the globe. The blacks early became confined to the tropics on either side; and, while the white man was being disciplined in the requisites of Western civilization, the yellow people were given free scope to swarm out as they would toward the East. Barren plateaux and storm-swept seas, shifting delta mouths and inadequate insular connections, all made for isolation in this direction; and, failing on this account to establish commercial intercourse among themselves, the Mongols only succeeded in reaching the handicraft stage of devel-

opment. Theirs was, in short, a mere migratory movement along the lines of least economic resistance. From the original seats of their civilization along the alluvial bottoms of the Asiatic mainland, isolated insular settlements still mark the course of their progress across the Pacific; but, as they were ignorant of the use of iron, it was obviously impossible for them to reach the Atlantic in this way by felling the forests of the opposing continent. Mongolian civilization was consequently stranded at last upon the deforested plateaux of America. The East was thus occupied, but only partially exploited, by its original inhabitants. Enough was done, it will be said, to give these first comers a legal title to their possessions. But the ruthless racial struggle is not determined by the rules of private law, and dominant peoples respect the property rights of those alone who have followed Locke's provision and mixed their labor with their land. Having hid their talents in the earth instead of trading with them, the Asiatics cannot, therefore, hope to avoid their day of reckoning with the lords of the Western world.

Along the Occidental line of progress, Caucasian civilization was confronted with very different conditions. In fact, one cause after another attracted men toward the West; and, speaking comparatively, the course of empire may truly be said to have taken its way in this direction. But imperialism always depends upon antecedent commerce and colonization; and it is with the causes of expansion, rather than with the consequences, that the questions of communication are primarily concerned. Of the two earliest centres of Western civilization, Egypt was cut off from maritime trade by the delta of the Nile, and, consequently, developed a policy of isolation similar to that of the Mongolians. On the other hand, the people who came to Babylon easily learned the lessons of commerce in the natural nursery of navigation, the Persian gulf, and were accordingly predisposed to colonial expansion. Coasting courses led in either direction from the Mesopotamian ports to India on the east and Arabia on the west. Caravan routes, proceeding from the head waters of the Tigris and Euphrates, connected these

centres of civilization likewise with Irania and the Mediterranean. Favored by such geographic circumstances, Babylon naturally became the point of departure for currents of trade and commerce setting in in both directions about the globe, and in this way determined the dynamics of Western civilization.

During the subsequent course of historical development the centre of commercial expansion has shifted by successive stages toward the West ; and from each fresh point of departure Oriental and Occidental trade routes have been extended somewhat further in opposite directions around the globe. Thus, while advancing toward the undiscovered West, Caucasian civilization has found it necessary to keep in constant touch with the static countries of the East.

The proto-historic stage of Western progress was from the Persian gulf to the Mediterranean. During the classical period, contact between the East and the West was preserved by commercial connections extending in both directions from the ports of the inland sea, — Tyre and Sidon, Athens and Carthage, serving successively as points of departure for this easterly and westerly trade, — and upon the basis of such antecedent commerce and colonization the Roman Empire was finally established, to include the then known Eastern and Western worlds. In the course of the Middle Ages the commercial centres of Europe shifted slowly across the continent from the Mediterranean to the Atlantic, and under the early mercantile régime trade routes began to radiate eastward and westward from the Netherlands.

Under these mediæval commercial conditions, England — at that time the *ultima Thule* of economic progress — provided raw materials for the manufacturing countries of the continent, a profitable enough part while her agricultural resources prevailed. But events were meanwhile shaping an important transition in the industrial development of Europe. The Crusaders were no longer able to hold the gateways of the East, and Turkish hordes eventually gained control of the caravan routes to Asia. Europe thus found herself cut off from further commercial contact with the Orient, and suddenly cast upon her own

economic resources. But Caucasian civilization had already advanced too far to revert to industrial isolation. There was nothing for it, therefore, but to take to the ships and discover a sea route to the Indies. The sphericity of the earth was incidentally demonstrated in this way, and continental sources of supply therewith opened to the commerce of Europe on either side of the globe. Under the new order of things England could scarcely expect to compete with the recently discovered countries as a purveyor of raw materials. In order to survive, it was, therefore, necessary for her to become a manufacturing nation, like her continental predecessors, and to rival them in extending her colonial connections across the seas. From the Western ports of Europe as a fresh point of departure, currents of commerce were accordingly established in either direction about the globe — around Africa and along Asia to the east, and over the Atlantic to America on the west.

Maritime progress in either direction was now opposed by continental masses contracting at two points to narrow isthmus connections. Commercial expansion became thus, for the first time, conditional upon interoceanic communication, and engineers were accordingly called upon to construct the requisite waterways between the seas. The two canal problems were, however, not equally urgent. On the east the lands of promise extended far beyond the isthmus barrier, while to the west an undeveloped continent lay open to economic exploitation directly from the Atlantic. Access to the Pacific was, consequently, a condition precedent to the success of the eastern movement, whereas on the west there was no such immediate necessity for interoceanic communication. Under the existing geographic circumstances, therefore, it was to be expected that adequate maritime connections with the Pacific should first be established by European engineers through the Suez canal. With this partial improvement effected, the industrialists of the Old World were enabled to draw their raw materials from both sides of the earth, and modern trade routes came to radiate accordingly from the commercial centres of

Europe to a periphery bounded on the east by the littoral islands of Asia and on the west by the Pacific shores of America.

The immediate effect of this one-sided amelioration has been to allow the easterly current of commerce to extend somewhat further out across the Pacific than would normally be the case, and to throw back the tide of Western progress upon its European sources. America thus came to stand in the same economic relation to Europe that England had formerly occupied to the continent — namely, that of a purveyor of raw materials to the manufacturing countries of the Old World. And, just as during the mediæval period England was well enough satisfied with this simple commercial arrangement, so the United States has until recently had no reason to complain at the corresponding adjustment of her own trade relations. So long, in other words, as North America remained the chief producer of raw material in the world and Europe offered a rising demand for the animal, vegetable and mineral supplies of the land, it was profitable enough for natives and immigrants to push out across the Western continent and to ship the products of their farms and plantations, their ranches and their mines, to the markets of the Old World.

These earlier commercial relations gave a stimulus to river and lake transportation, and led to the establishment of railroad connections between the Western frontier and the Eastern seaboard of the United States. America's export trade to Europe also brought the maritime shipping of the Atlantic to its present high stage of development. But, inasmuch as the continent lay open to economic exploitation directly from the Atlantic, the foreign commerce of the United States was not at all dependent upon interoceanic communication. While such commercial conditions prevailed, it was natural enough, therefore, for Americans to regard the canal problem in the light of a local expedient for the better development of the domestic resources of their country. Shortly after the acquisition of California, Eastern capitalists accordingly conceived the idea of opening a waterway across the isthmus, with a view to providing better means of communication with the Eldorado of the West than

the toilsome journey across the plains or the perilous voyage around the Horn. But with the decline of the gold excitement the project was abandoned and only partially superseded somewhat later by the construction of the Panama railway. Trans-continental railroad connections were next established to join the new Pacific territory more directly with the Atlantic seaboard; and it was hoped that by these improvements the demands for internal transportation were for the time, at least, sufficiently fulfilled.

The West was naturally the first to realize the inadequacy of the arrangement. With the localization of the gold mines in California and the decline of the fur trade in the Northwest, the people of the Pacific slope came to devote their productive energies to agriculture, arboriculture and viticulture, and to the lumbering and fishing industries. The natural market for all these products lay in the East. Thus, for the exportation of their surplus raw materials, the Western producers were obliged to rely very largely upon railway transportation. But comparatively few of those bulky commodities in which they trafficked could bear the cost of carriage across the continent, and not much expense was to be saved by sending the goods in ships around the Horn. With such limited facilities for exportation, permanent prosperity was, therefore, impossible for the people of the Pacific slope; and, suffering from the effects of arrested economic development, they were soon led to appreciate the necessity of a waterway between the seas.

But though the growing commerce of the Pacific seaboard required the construction of an isthmus canal, nevertheless, taken as a whole, the foreign trade of the country was still only partially dependent upon interoceanic communication; for even under then existing conditions the exports of the country could almost all be carried from Eastern ports. It was no particular hardship, therefore, for the people of the Atlantic seaboard to be cut off from the commerce of the Pacific; and until the East and the South could likewise be brought to realize the practical importance of isthmus transit, the canal project was likely to remain in the realm of unrealized ideals.

To the present day no improvement has been effected in the technical situation, but changes now taking place in the economic world are at least bringing the people of the Atlantic seaboard to a clearer consciousness of the national necessity of an interoceanic canal. As purveyors of raw materials to the mother country, it was natural for the North American colonists to import their first-finished products from abroad. But with the extension of agriculture toward the West, the older Eastern states had necessarily to build up manufactures of their own. It was scarcely to be expected, however, that these infant industries should from the start compete successfully with established European manufactures. Protection was, therefore, the only alternative. This, to be sure, cast a double burden of taxation upon the agricultural interests of the country; but, so long as American raw materials continued to fetch their full price in the markets of the world, the farmers and planters were easily able to shoulder the extra charge, and it was worth the sacrifice to establish the United States upon an industrial basis. During the last quarter century, however, colonization in other continents has added fresh sources of agricultural supply, and American producers have been obliged to dispose of their raw materials upon an open foreign market. Once cast upon the vicissitudes of competition, the agriculturists of the United States could no longer rely upon their earlier economic calculations, and soon discovered that, instead of depending, as before, upon the abundance of their own crops, prosperity was now conditional upon the failure of harvests abroad. Increasing supply continued to lower the price of raw produce, and this, in turn, diminished America's demand for finished goods. The protected manufacturers were consequently compelled to limit their output, and both the extractive and the transportation industries suffered a sympathetic decline. This concatenation of causes naturally led to a period of falling prices, punctuated with commercial crises and financial panics.

The trouble was first attributed to the tariff and then to the currency system, but the real root of the difficulty lay in changing economic conditions far beyond the reach of local legisla-

tion. The fact is, that no country can remain indefinitely in the agricultural stage of development and at the same time keep up its commercial connections with the outside world, without submitting in the end to the inevitable action of the law of diminishing returns. In the abstract, the truth of this economic axiom is obvious enough; but owing to the immense extent and high fertility of our soil, we Americans have been somewhat slow in realizing its practical application to our particular case. Proof of the proposition has recently been brought home to us, however, in the form of falling prices; and it cannot be long before the problem of further survival will present itself in the shape of the ultimate economic alternative—*isolation or industrialism.*

How, then, shall we decide? Are we to withdraw from the world and develop the Aristotelian ideal of the self-sufficing state, sufficiently removed from the sea to escape the contaminating influences of commerce; or are we to continue to compete with our fellows and take our legitimate place among the dominant industrial nations of the day? Is it our wish to become economically assimilated with the static countries of the East, or do we prefer to cast our lot with the progressive peoples of the West? There are arguments to be heard on either side—*pro-expansion and anti-expansion*; but when all the consequences are carefully considered, there can be but little doubt as to the final decision. Protection has, indeed, paved the way for the proper policy to be pursued. Encouraged by legislative enactments (to be compared in this connection with the English Navigation Laws), the Eastern states have actually reached the industrial stage. The manufacturers of the country have already demonstrated their ability to satisfy the domestic demand for finished goods, and there is still an abundance of food-stuffs and raw materials to allow them to produce a surplus for exportation. Provided foreign markets are to be found for their wares, the profits of the industrialists are thus practically assured; and if, by increasing the demand for agricultural and extractive staples, the manufacturers succeed in raising the price of raw materials, the farmers and miners of the country will also be enabled to dispose of their products, both at home

and abroad, to much greater advantage than before. Industrial development along these lines should accordingly redound to the economic advantage of the nation as a whole. Diminishing returns we dare not submit to, and isolation is not in accordance with our ideals. Evidently, therefore, the solution of the economic difficulty consists in adding manufactured articles to our agricultural exports; for only in this way can we effectually utilize our resources and so institute a new era of increasing returns.

It would appear, then, that we are about to enter upon a new phase of our economic career. As a result of our efforts under the protective régime, we have become a manufacturing people, and the industrial area of the world has therewith been extended to include the Atlantic seaboard of the United States. We need no longer be purveyors of raw materials alone: we may now become exporters of manufactured wares. Thus, following the logic of events, the United States has been brought to the verge of an industrial transition, similar in many respects to that through which England passed successfully some time ago; and commercial civilization is apparently preparing to shift its centres still further toward the West.

But the change, however much in accordance with the natural order of things, is still contingent upon finding a foreign market for America's finished goods. The established routes of trade across the Atlantic offer but limited opportunities for the exportation of our manufactures, because, with some exceptions, the industrial states of Europe are abundantly able to satisfy their own local demand. It would not be worth while, therefore, to promote our industrial policy primarily in this direction, only to meet with unnecessary opposition from the start. There is no good reason, on the other hand, why American manufacturers should not compete successfully for the trade of the partially developed countries bordering upon the Pacific. European colonists, coming by the easterly route, have been longer on the ground, it is true; but the economic opportunities of the Orient are practically boundless, and geography has apparently reserved the Western section of this Pacific

territory for our particular field. Missionaries have already converted many of the South Sea islanders to American ways, merchants of the United States have met with initial success in the treaty ports of Asia and in the cities of Spanish America, and the political power of the Republic is even now being extended across the Pacific to the very borders of the Eastern Hemisphere. The lines are thus laid, and everything now points to a fresh period of commercial expansion toward the West.

America has ceased, in short, to represent the *ultima Thule* of economic progress. Nor can the Atlantic any longer be said to bound the possibilities of her export trade. Having become an interoceanic power, the United States should in the future ship her products across both seas. Owing to the wealth of our natural resources, Europe will continue to import our animal and vegetable staples. Our established easterly connections are thus practically assured. Provided we produce an industrial surplus for exportation, a westerly trade likewise awaits us. It is upon this that our immediate future depends, and with such opportunities before us it would be folly to forego the chances of continued commercial success.

In planning to pursue such a policy, we shall find ourselves hampered at the outset, however, by the inadequacy of our maritime connections. Interposed between the Atlantic and Pacific seaboard of the Eastern Hemisphere, North America should, indeed, serve as the best possible point of departure for trading with Europe and Asia; but, owing to the geographic location of the industries of the United States, the country is now practically cut off from its natural markets on either side of the globe. Under the new order of things, the Pacific slope is no longer the only section isolated by the isthmus barrier. With the growth of mining and manufacturing industries, the Atlantic seaboard and the Mississippi valley are now separated from their commercial opportunities in precisely the same way. In the last instance, therefore, national prosperity has come to depend upon the construction of an interoceanic canal; for otherwise, after utilizing our domestic resources, we should be

unable to dispose of our surplus, and our foreign commerce would eventually be confined within limits too narrow for profit.

Interoceanic communication may not have been an essential to the agricultural exploitation of the continent; but, if our analysis be correct, the canal is certainly a condition precedent to the industrial development of our land. Isthmus transit now means considerably more, therefore, than the mere amelioration of our coasting trade: it is rather a matter of commercial importance upon which the whole policy of expansion depends. Thus the prick of practical necessity is at last bringing the East and the South to realize the exigency of the situation, and the people of the Atlantic seaboard are coming to add their pleas to the long-standing demands of the Pacific slope for a waterway between the seas. It should be only a matter of months, therefore, before the American nation is finally convinced of the urgency of interoceanic communication.

Looking back, in conclusion, upon the trend of historical events, the industrial transition through which the United States is at present passing may very properly be regarded as the culmination of the series of similar changes that have been taken to describe the dynamics of Western civilization. In obedience to Berkeley's law of progress, the industrial centres of the world have shifted in the course of time from the Persian gulf to the Mississippi valley, and the easterly and westerly currents of commerce have therewith been extended further and further in both directions about the globe. True, the Pacific still lies between the termini of the two, but a junction might easily be effected by cutting a canal across the American isthmus.

A mediæval Spanish historian, José de Aosta, went so far as to declare that God constructed the Cordillera with the distinct purpose of preventing this proposed union of the easterly and westerly trade routes. Fortunately for American independence, Europe was obliged to submit to this providential decree, and the marvellous development of our continent is due, to a con-

siderable extent, to the prevalence of the Pacific barrier. But the time is now past when Americans can reap further advantage from isolation. "East is East and West is West"; but, contrary to a familiar prediction and in accordance with the dynamics of civilization, the twain shall surely meet. Lacking the requisites of progress, Eastern civilization was stranded in the past upon the deforested plateaux of our continent; but Western civilization, gaining power along its path, has acquired impetus enough in America to carry it across the Pacific to Asia. Such is the task that economic conditions have prepared for us—to join the two currents of commerce and make America the meeting ground of the Eastern and Western worlds. Our traditions, it is true, attach us historically to the West, but the future trade of our continent will inevitably draw us into closer contact with the East. As the tide of progress cannot possibly be deterred, the problem before us is properly to regulate its flow. The Europeans have already provided for the easterly current of trade by the construction of the Suez canal; and it is now incumbent upon American engineers to complete the circuit of civilization by cutting the Nicaragua canal, and so to give commerce the spherical course it has striven for so continuously since the early days of Babylon.

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